Bovine Spongiform Encephalopathy

Late in 2005, the Kansas beef industry received long-awaited good news when Japan announced it would resume American beef imports from animals under 21 months of age. Japan had been our second-largest export market, importing more than $175 million worth of Kansas beef and $1.4 billion worth of American beef in 2003. That was before USDA announced that a dairy cow in Washington state had tested positive for bovine spongiform encephalopathy, or BSE.

Within days of USDA's announcement, 53 countries had banned imports of U.S. cattle and beef. In 2003, U.S. beef exports were valued at $3.95 billion and accounted for 9.6 percent of U.S. commercial beef production. Five countries – Japan, Mexico, South Korea, Canada and Hong Kong – received 90 percent of U.S. beef exports in 2003.

Mexico and Canada partially resumed beef imports in 2004, but overall the quantity of U.S exports fell by 82 percent below 2003 levels. It took the United States until mid-December 2005 to reach agreement with Japan on the conditions under which beef could be sent back into that market. Soon after Japan announced it would resume imports, Hong Kong announced they, too, would begin accepting American beef.

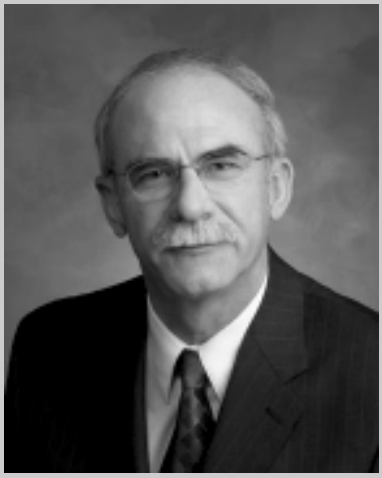
Currently, the Department of Agriculture is working with the Kansas Department of Commerce and key industry stakeholders to plan how to promote Kansas beef in the Japanese marketplace. Kansas beef had been marketed as a brand synonymous with high quality. Our challenge now is to regain consumer interest after a two year absence from the market.

BSE Study

Japan indicated early on that they would accept beef from cattle that had tested free of BSE. One Kansas beef processor, Creekstone Farms of Arkansas City, wanted to test all its animals so the beef could be exported to Japan. Unfortunately, USDA would not sanction the test to be used as a marketing strategy and limited its use to disease surveillance. I took exception to USDA's position, because I believe regulatory programs should establish minimum standards rather than maximum ones.

To better understand the economic impact BSE had on the American beef industry, I commissioned a study by K-State Research and Extension to provide a comprehensive assessment of lost export markets and policy changes that affected cattle procurement and processing. The report was released in April 2005. According to the research, if voluntary testing of 25 percent of U.S. slaughter cattle allowed the industry to regain access to the Japanese and South Korean export markets, and the U.S. was able to ship just one-half the quantity shipped during 2003, the potential return to the beef industry would have been nearly $750 million.

I believe BSE-related policies will continue to evolve, and the analysis provided by the research team should be beneficial to that process.



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Governor's Rural Life Task Force

Governor Kathleen Sebelius created the Rural Life Task Force to advise her about issues that affect rural Kansas, and to help preserve, renew and find ways to sustain the valuable contributions rural Kansas makes to our state's economy and culture. This is the first such group asked by a Kansas governor to speak for the many issues affecting rural Kansas and its residents, to advise her on a long-term basis, and to work with state and federal agencies to improve the delivery of services to rural areas.

When task force members first gathered together in 2003, they broke into groups discussing areas of interest. In that way, they developed stories of the past, present and future of rural Kansas. Many of the areas they identified have been addressed. Other issues have surfaced, and the work of the task force will continue.

Agritourism was an area of major interest for the Rural Life Task Force. They suggested the state should pursue liability legislation related to agricultural tourism. Agritourism initiatives were contained in SB 334 in 2004, and, through initiatives of the Department of Commerce, they have continued. Efforts have included hiring an agritourism consultant to help strategize a plan for Kansas agricultural tourism. Agritourism operations have been registered so they could receive tax benefits to help pay for the cost of liability insurance. Meetings, training and scholarship opportunities have been offered and continue today.

The group also asked for a review of rules and regulations regarding direct-marketed and value-added agricultural commodities with an eye toward increasing efforts in that area. As a result, the Kansas Department of Agriculture is pursuing some regulatory and statutory changes. We also have developed and are cosponsoring workshops with the Department of Commerce and the Rural Center to help direct marketers understand their responsibilities and where to get help.

The team asked the state to scrutinize the distribution of EDIF money—lottery dollars earmarked for economic development—through the state. Most believed it was not being returned to rural communities on an equitable basis. It is interesting to note that analysis of these funds found that, in fact, 74 percent of the dollars were returned to rural areas.

Other suggestions were to establish a mentor/model clearinghouse through which businesses that have achieved success may share their techniques and wisdom, and to establish an office of small community sustainability through which small business leaders may unite. The creation of the Center for Entrepreneurship, Rural Business Development Tax Credit, State Entrepreneurial Fund, and the Angel Investor Network was a large step toward dealing with these suggestions.

Task force energy suggestions included: Support an energy plan for Kansas; focus efforts on regionalized energy policy and production; support the continuation and augmentation of the State Energy Resources Coordination Council (SERCC); support SERCC's work to institutionalize

the development of a comprehensive and coordinated energy policy for Kansas, including wind energy, coal bed methane and tertiary oil recovery.

Since the early meetings of the task force, the governor has created the Kansas Energy Council. This group is working on numerous issues, including looking at regulatory programs, in the case of wind energy, early in the process of development.

The task force worked with the energy council to sponsor a trip to view community wind projects in Minnesota. That group has been working to educate Kansans about the opportunities community wind projects could offer to rural Kansas and the rest of the state. Task Force Co-chair Dan Nagengast has been a particularly tireless proponent of community wind industry.

At a spring 2005 meeting, the Rural Life Task Force was challenged to create a pilot community assistance program. Through the efforts of a subcommittee, the task force chose three pilot communities: Smith Center, Onaga and Eastern Cowley County. Each group has developed its high-priority goals and issues; the Department of Commerce is working to develop a team of state and federal agencies and resources to assist each community. The project also has a goal of helping agencies fine-tune the way they deliver resources.

Several projects are under way to break down barriers to consolidation and cooperation among units of government. Legislation will be offered to that effect this session.

Several GIS implementation groups, at the direction of the governor, are working on bringing GIS to rural areas.

Interstate Water Issues

Water is essential to life. Individuals, communities and industries depend on our department to properly manage our water resources, and water will always pose serious policy challenges. Internally, we are shifting resources and seeking enhancements to make sure we can meet those challenges. We've restored the assistant chief engineer position to assume responsibility for day-to-day management of the Division of Water Resources and to provide continuity in the future.

Our lawsuit against Nebraska and Colorado over water in the Republican River has been settled and our case against Colorado over water in the Arkansas River is nearly settled. Now we must ensure both states live up to the settlement terms and Kansas receives the water to which it is entitled.

In each case – Kansas v. Colorado (Arkansas River); Kansas v. Nebraska and Colorado (Republican River) – computer models will be used to assess compact compliance. Division of Water Resources staff are responsible for gathering and assessing the data needed for the models, and we are seeking to add a professional civil engineer to provide technical expertise for modeling compliance. The engineer also will be

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able to provide modeling and technical support to assess the increasing number of water shortage complaints.

We're hearing reports from Nebraska that they may not be able to meet the 2007 deadline to comply with the compact and settlement terms regarding the Republican River. We acknowledge drought has seriously impacted Nebraska, but water users in Kansas have been impacted, too. Because of drought and overuse in Nebraska, Kansas has had to severely limit or curtail use along the main stem Republican River for most of the last five years.

The settlement reached with Nebraska and Colorado gave Nebraska time to make changes to its water management to comply with the compact and settlement. The overall settlement framework also allows each state some flexibility for where water is used, and it allows multiyear averages to be used to measure compliance. Since the compact allocates a percentage of the basin's water supply to each state, all states receive less water during drought. And, any overuse in one state means less water for any state downstream.

Diligence on our part will be needed to ensure that compact and settlement terms are met by all three of our states. To achieve this, we need to be certain we have adequate resources to complete the extra work and to be prepared to challenge any proposed changes to the computer models through which we verify compliance.

Food Safety

In 2004, Executive Reorganization Order 32 and Senate Bill 296 transferred certain food safety responsibilities to the Kansas Department of Agriculture from the Kansas Department of Health and Environment. Since the transfer, we have improved compliance rates in all areas and made program operations more efficient. We brought food safety into the electronic age by developing a database to track licensing and inspection data. We automated some parts of the licensing process and inspectors are recording inspection results electronically on PC tablets so data can be uploaded directly into the database. Efficiencies we gained by maximizing our use of technology allowed us to increase the amount of revenue generated by this program, which we used to:

- fill inspector positions we initially had to leave vacant due to unanticipated funding concerns;
- increase compensation paid to some county health departments that perform inspections under contract with us because we were able to accurately identify more facilities in their counties;
- add a clerical employee and an additional inspector, although we have not yet achieved the inspector-to-facility ratio recommended by the Food and Drug Administration.

We continue to work closely with the Kansas Department of Health and Environment on food safety issues, and we shared our database source code with them so they could create their own functional

database. We also entered memorandums of understanding to clearly define areas of responsibility and to eliminate duplicate inspection at establishments that fall under both our jurisdiction.

Homeland Security

The Kansas Department of Agriculture continues to be involved in the Multistate Partnership for Security in Agriculture. Other member states are Illinois, Iowa, Kentucky, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, South Dakota and Wisconsin.

The partnership was formed in August 2003 to ensure that America's agricultural system is secure, that its people are safe and its economy is strong. Through an interstate agreement, our states collaborate on surveillance, preparation and response to threats in agriculture, whether they are intentionally introduced or naturally occurring.

Through a federal grant, the partnership has focused on the following:

- Developing plant and animal disease risk communication materials for states to use when they interact with the public and other stakeholders to ensure that consistent messages are delivered across state and regional borders. These materials include fact sheets, informational sheets and checklists.

- Developing model agricultural emergency response plans. These models take the best of individual state plans and incorporate them into one model that states can use to ensure their plans for food, crop and animal disease responses are consistent and comprehensive.

- Reviewing and evaluating state training programs and exercise scenarios so that states can enhance their programs by learning from the success of others. The partnership also is developing cross-border training and exercise scenarios, recognizing that disease outbreaks or other events affecting the agriculture sector will not stop at state borders.

- Analyzing surveillance capabilities and disease reporting data systems within states and throughout the nation. This analysis will be used to determine whether additional surveillance systems that work across state lines should be recommended.

The department also continues to work with the Kansas Division of Emergency Management and the Kansas Highway Patrol to develop prevention, response and recovery plans. We are designated in the state emergency plan as the lead agency for plant disease, food safety, agricultural production and public water supplies.

We used funding from a 2004 Office of Domestic Preparedness grant to launch several initiatives within the department:

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- We enhanced our laboratory capacity by purchasing a high-capacity autoclave and two exhaust hoods.

- We are outfitting an emergency response trailer that can be taken into the field to help with a response to threats to crops.

- We purchased equipment to launch GIS capabilities for agencywide management, analysis and dissemination of information that will eventually include all of our licensed and regulated facilities and other relevant agricultural and environmental data. Global positioning systems were purchased for field staff so they can collect data to populate the GIS database.

- We hired the National Agricultural Biosecurity Center at Kansas State University to conduct a risk/vulnerability assessment of agricultural production and food safety from farm to retail. The assessment is essential to formulate comprehensive plans for the prevention, response and recovery of Kansas' agricultural and food chain assets.

Renewable Fuels for Kansas

On Kansas Agriculture Day 2005, Governor Kathleen Sebelius accepted the keys to a flexible fuel vehicle from a General Motors representative. Kansas was the first of the Governors' Ethanol Coalition's member states to receive a flexible fuel vehicle under a no-cost, one-year lease from GM. We have accepted every opportunity to display the vehicle at events where we can promote the benefits of biofuels.

Last year, I supported the Legislature's passage of a bill that removed the labeling requirement for gas pumps that dispense fuels with 10 percent or less ethanol. As a result of that legislation, ethanol consumption increased sevenfold in July and August 2005 compared to July and August 2004. This is especially good news for Kansas farmers whose crops end up at one of our seven ethanol plants, as well as for our state's environment.

Governor Sebelius has long been a proponent of biofuels, especially ethanol. In 2006 she will serve as chair of the 32-member Governors' Ethanol Coalition. Also, in the early months of her administration, she created the Kansas Energy Council. The Departments of Agriculture and Commerce, as well as the Kansas Corporation Commission and our state's universities, work side-by-side with the energy industry on the council. One of the next steps for the Kansas Energy Council is to develop a renewable resources road map.

Federal Grants

We received word in the latter part of 2005 that the department would receive two new federal grants.

The Food and Drug Administration awarded our department a three-year grant to increase feed inspections to prevent bovine spongiform

encephalopathy. We will use the grant money to purchase lab equipment, to hire a feed microbiologist and to hire an inspector dedicated to BSE inspections.

The U.S. Bureau of Reclamation granted us just over $230,000 to install flow meter instruments at 100 points of diversion along the Republican River that are junior to the minimum desirable streamflow statute. The instruments will remotely transmit via satellite flow meter readings and other data to a USGS-managed database. Staff can then tap into the database through the Internet. Once the project is complete, we will be able to monitor compliance with orders requiring users to limit or halt pumping to achieve minimum desirable streamflow.

The Bureau of Reclamation's Water 2025 Challenge Grant Program annually funds a variety of projects to make more efficient use of existing water supplies through water conservation and water market projects as authorized under state laws.

Our department also continues to help the state's organic producers by administering the organic certification cost-share program. In each of the grant's three years, we have helped more than 50 producers or processors pay for 75 percent of the cost of organic certification.

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Agency Overview

The Kansas Department of Agriculture budget for fiscal year 2005 was $20,989,417. 46 percent came from the state general fund and 54 percent came from fees, grants and federal funds.

The Kansas Department of Agriculture had 302.5 full-time and 20.49 unclassified, temporary employees in fiscal year 2005.

Agency Mission and Secretary's Role

The Kansas Department of Agriculture is a regulatory agency that serves all Kansans. It is charged by law to ensure: a safe food supply; responsible and judicious use of pesticides and nutrients; the protection of Kansas' natural and cultivated plants; integrity of weighing and measuring devices in commerce; and, that the state's waters are put to beneficial use.

The strong foundation provided by the agency's regulatory programs allows the secretary of agriculture to effectively advocate and educate on behalf of Kansas agriculture.

Food Safety and Consumer Protection Programs

Governor Kathleen Sebelius issued Executive Reorganization Order 32 transferring certain food safety responsibilities from the Kansas Department of Health and Environment to the Kansas Department of Agriculture effective October 1, 2004. The Kansas Legislature followed the governor's ERO with Senate Bill 296, which provided changes in statute to reflect the change in responsibilities.

Before the Executive Reorganization Order, the Kansas Department of Agriculture guaranteed public safety by regulating the production and sale of meat, poultry, dairy products, eggs, agricultural seeds and feeding stuffs. Our new responsibilities include licensing and inspecting grocery stores, restaurants in grocery stores, food processors and manufacturers, food wholesalers and warehouses, convenience stores, farmers' markets mobile ice cream vendors, and food vending machine companies and dealers.

Although many food safety functions transferred to the Kansas Department of Agriculture, the Kansas Department of Health and Environment will continue to inspect restaurants, school food service operations, senior meal sites, mobile food units and all lodging facilities.

Many of our department's new inspection duties fit well in our existing food safety programs. Where possible, we assigned new responsibilities to established programs to use available staff more efficiently. The remaining we addressed with a new addition to our food safety program lineup.

The **Retail Food Inspection** program is new. It is responsible for food safety inspections at grocery stores, restaurants in grocery stores, convenience stores, food wholesalers and warehouses, food processors and food manufacturers.

The **Agricultural Commodities Assurance Program** is responsible for food safety inspections involving eggs. ACAP also contributes to food safety by verifying that inputs to agriculture are safe, quality products that are not misrepresented to their consumers. These products include: seeds, which must meet label guarantees and contain

no noxious or restricted weed seeds exceeding the quantity allowed; commercial feeding stuffs, including pet foods, which are analyzed and registered to prevent contaminants and adulterants from entering the human and animal food chain; eggs, which are regulated to ensure safe and properly identified products for human consumption; FDA medicated feeds, which are monitored for good manufacturing practices and compliance at feed mills to prevent adulterated, misbranded or unhealthy animal feeds from entering the human food chain; and, FDA tissue residue tests, which are performed on beef and pork products when cases of misuse of federally regulated livestock medications are reported.

The **Meat and Poultry Inspection** program licenses and inspects meat and poultry plants in a manner that is equal to federal inspection. It also responds to consumer food safety concerns involving meat or poultry products.

The **Dairy Inspection** program conducts inspections, collects samples for analysis, and issues permits and licenses to ensure that milk and dairy products are produced, processed and distributed to reach consumers in a safe, wholesome and unadulterated form. To help us meet our new food safety responsibilities, they also inspect ice plants, and beer, wine and cider producers and bottlers.

The **Weights and Measures** program protects consumers by inspecting and certifying large and small scales, scanners and gasoline pumps, by testing fuel quality and by calibrating weights.

The **Grain Warehouse Inspection** program operates to ensure the quantity of all stored commodities to all producers of grain in Kansas, and to ensure that grain producers have solvent, licensed warehouses in which to store their grain. Staff examine licensed warehouses at least once a year as required by law, and examine warehouses that meet only minimum financial requirements more than once a year, to protect each warehouse's depositors of grain.

Environmental Protection Programs

These programs focus on protecting the health of the state's natural and cultivated plant resources, and the environment, through preventive actions and activities designed to ensure the safe and proper use of agricultural chemicals.

The **Plant Protection and Weed Control** program protects Kansas' natural and cultivated plants from the introduction of foreign plant pests. It works with county noxious weed departments to help control or eradicate destructive weeds in Kansas.

The **Pesticide and Fertilizer** program protects the public's health by promoting the safe use of pesticides and fertilizers. Regulated under the Pesticide and Fertilizer program are: pesticides, by licensing and certifying pesticides and pesticide applicators; commercial fertilizer, by ensuring fertilizer products are labeled accurately, and by allowing program staff to issue stop sale/stop use orders to prohibit further sale of a fertilizer, or further use of facilities or equipment used in the transport,

handling, distribution, dispensing, selling, storage or disposal of fertilizer; soil amendments, for which proof of product efficacy must be provided before products are offered for sale; anhydrous ammonia, the sale of which is monitored, and the storage, handling and transportation of which is inspected, and which staff try to prevent and reduce the impact of accidental releases of anhydrous ammonia through a strong industry training program; and agricultural lime, compounds that contain calcium or magnesium for neutralizing soil, are monitored for effectiveness and accuracy in labeling.

The **Agricultural Laboratory** establishes, maintains and improves analytical laboratory services for the Meat and Poultry Inspection, Dairy Inspection, ACAP, and the Pesticide and Fertilizer programs. It ensures that submitted samples are subjected to the highest possible testing standards of accuracy and precision. This is done to protect the health and safety of Kansans and to facilitate accuracy in labeling of products offered for sale.

Water Resource Programs

The water resource programs provide a public safety function through inspection of water structures and management of the quantity of the state's scarce water resources.

The **Water Appropriation** program manages the state's water supplies through a system of permits, reviews and inspections. It issues water rights, maintains data about water usage and administers water rights during times of shortage.

The **Water Structures** program inspects and regulates the safety of dams that could, if they failed, endanger lives and property. The program also monitors activities affecting the flow of rivers and streams to ensure these activities are properly planned, constructed, operated and maintained.

The **Water Management Services** program administers the four interstate river compacts and the subbasin resource management plan, which is developed in conjunction with local agencies working toward a long-term, statewide water usage plan.

The **State Water Plan** program encompasses activities from other programs, including interstate water, and basin and floodplain management.

Administrative Services and Support

Under the direction of the secretary of agriculture, the administrative services and support section provides the general policy, outreach, coordination and management functions for the department. This includes the office of the secretary, central fiscal and records center, personnel, legal, automation and telecommunications, research, information and education.

Within the administrative services grouping is the statistical services and support program, also known as **Kansas Agricultural Statistics**, a

cooperative federal-state program involving the Kansas Department of Agriculture and the U.S. Department of Agriculture. Through Kansas Agricultural Statics, data about the many segments of Kansas agriculture are collected, analyzed and disseminated.

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Agency Overview

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Food Safety and Consumer Protection Programs

The Dairy Inspection budget for fiscal year 2005 was $466,274. 27 percent came from the state general fund and 73 percent came from fees and a grant.

The Dairy Inspection program had eight full-time employees in fiscal year 2005.

Food Safety

Governor Kathleen Sebelius issued Executive Reorganization Order 32 transferring certain food safety responsibilities from the Kansas Department of Health and Environment to the Kansas Department of Agriculture effective October 1, 2004. The Kansas Legislature followed the governor's ERO with Senate Bill 296, which provided changes in statute to reflect the change in responsibilities.

Before the Executive Reorganization Order, the Kansas Department of Agriculture guaranteed public safety by regulating the production and sale of meat, poultry, dairy products, eggs, agricultural seeds and feeding stuffs. Our new responsibilities include licensing and inspecting grocery stores, restaurants in grocery stores, food processors and manufacturers, food wholesalers and warehouses, convenience stores, farmers' markets, mobile ice cream vendors, and food vending machine companies and dealers.

Dairy Inspection

The core function of the Kansas Department of Agriculture Dairy Inspection program is to regulate the production, transportation, processing and distribution of milk and dairy products from cow to consumer. Dairy inspection staff enforce Kansas dairy laws as well as the U.S. Food and Drug Administration's Grade A Pasteurized Milk Ordinance adopted by reference in Kansas. This provides uniform inspections and allows milk to move freely in interstate commerce under the Interstate Milk Shippers agreement between the states, FDA and the dairy industry.

Adopting and uniformly applying the Grade A Pasteurized Milk Ordinance will continue to provide effective public health protection without being unduly burdensome to either regulatory agencies or the dairy industry. Despite progress that has been made, occasional milk-borne outbreaks still occur, which underscores the need for continued vigilance at every stage of production, processing, pasteurization and distribution of milk and milk products. The goal to provide a safe, wholesome milk supply to the nation's consumers is foremost in our minds as we perform our duties.

Dairy program activities are divided into the general subprograms of farm production, raw product transportation, milk processing, packaged product distribution, and wholesale and retail sale. These goals are accomplished using sanitation inspections with supporting laboratory test results obtained from milk and dairy food samples.

As of November 1, the following were licensed or permitted in Kansas:

Dairy farms	454
Milk haulers	208
Milk tankers	122
Tanker wash stations	2
Dairy processing plants	12
Milk transfer stations	5

Single service manufacturers	9
Milk and dairy distributors	50

Kansas dairy farms are inspected three to four times a year and more often if serious violations are noted. Inspectors look at the general sanitation and cleanliness of the milking barn, tank room and milking equipment. Actual milking practices are observed to ensure that a safe, wholesome raw product is being delivered to the pasteurization plants. Each farm bulk milk supply is sampled monthly to confirm that it complies with standards for temperature, bacterial limits, drug residue, somatic cell limits, pesticide residues and added water. More than 2,500 dairy farm inspections were completed last year.

Dairy processing plants, and milk transfer/receiving stations, are inspected at least four times a year. Inspectors make sure they comply with cleaning and sanitation requirements. Pasteurization equipment is a primary focus of a plant inspection. All milk and dairy products sold at retail must be pasteurized to protect public health. Systems are tested quarterly to ensure that the raw milk is processed in a way that destroys all pathogens. Also, all products processed by the plant are sampled monthly to make sure they comply with standards for bacterial limits, drug residues, coliform bacteria limits, phosphatase testing and vitamin addition, and to make sure they are correctly labeled according to butterfat. Single-service dairy container manufacturers also are inspected. These facilities produce cartons, containers and closures for packaging dairy products. More than 350 milk processing plant inspections and nearly 130 milk pasteurization system tests were completed last year.

Milk haulers in Kansas are licensed and evaluated on their ability to sample, collect and transport raw milk from the farm to the processing plant. Representative samples from each producer's shipment of milk are collected by the haulers. Producers are paid based on the testing of that sample. New milk haulers must complete a training exercise and a written test before they are licensed by the Kansas Department of Agriculture. Licenses are renewed annually and refresher training is required every three years. More than 320 evaluations and training sessions were completed with milk haulers last year.

Kansas is recognized as having one of the most rapidly growing dairy industries. The relatively dry climate in the southwest, the ability to obtain the desired quantity and quality of water and an abundant feed supply contribute to this growth. We expect this growth to continue. Farm numbers will decrease but farm size (cow numbers and milk production) will increase at a greater rate. The dairy food industry has developed new milk-based beverages and products to meet consumer demand. Technology exists to extract the various milk components from raw milk leading to protein concentration, higher lactose, casein extraction and other processes. FDA and the industry are working together to revise existing standards of identity for common dairy products to take advantage of this technology and meet consumer needs. At the same time some consumers are demanding locally produced products, and we have licensed several small dairy processing plants harkening back to the glass-bottled milk of several decades ago. Dairy inspectors stay

abreast of these changes by attending in-house and FDA-sponsored training.

The Dairy Inspection program also is assigned a portion of the agency food safety responsibilities. This includes the following fluid type food manufacturers:

- bottled water
- soft drink/soda bottling
- ice plants
- breweries
- wineries
- juice operations
- cider mills

These food safety duties fit well within the Dairy Inspection program and the expertise of our dairy inspectors. Many of the public health concerns in these facilities are mirrored in the dairy processing plants, including: protecting raw materials from contamination; preventing cross-contamination with physical, chemical or bacteriological contaminants; and ensuring sanitary processing and packaging of the final product.

Currently there are 93 facilities that Dairy Inspection personnel regulate. Kansas regulation and CFR good manufacturing practices mandate an annual inspection of these food processing facilities. Frequently conditions warrant follow-up inspections to educate operators and to achieve compliance with basic food sanitation requirements.

On the food processing side, the grape and wine industry in Kansas is poised for rapid expansion. We will work with industry to facilitate growth and ensure that wines are produced in a sanitary manner. The orchard and cider facilities in Kansas are another area of growth. Foodborne illness associated with unpasteurized juice and cider has been reported nationwide. FDA and the states are working together to make sure that products being sold are safe for consumption. Kansas' grape, wine, orchard and cider industries must realize that in order to grow they need to market a safe, wholesome, high-quality product. Uniform application of regulations can be used to help grow and promote these industries.

The inspector is the primary point of contact for the regulated industry, and we are taking steps to equip inspectors with the tools they need to meet regulatory and food safety demands of the job. The dairy and food industry may view inspections as a necessary evil when they should see them as a tool to improve the quality and safety of their products. Used this way, the entire industry can enjoy sustained growth.

Retail Food Inspection

The Kansas Department of Agriculture's Retail Food Inspection program began its duties Oct. 1, 2004. The program is responsible for registering and inspecting:

- grocery and convenience stores
- restaurants in grocery and convenience stores
- food processors and manufacturers
- food wholesalers and warehouses
- mobile ice cream vendors
- food vending machine companies and dealers
- farmers' markets (excluding food service)

The program provides routine food safety inspections, follow-up inspections, complaint investigations, and planning and licensing inspections, as well as foodborne illness investigations in cooperation with the Kansas Department of Health and Environment Bureau of Epidemiology and Disease Prevention.

During inspections, food inspectors identify critical deficiencies and require that deficiencies identified as high-risk factors in foodborne illnesses be corrected. Food suspected of being adulterated or unsafe for human consumption will be embargoed by our inspectors or voluntarily destroyed by the facility.

Federal food manufacturing and processing regulations have been adopted by reference and are enforced by our inspectors. The federal good manufacturing practices in manufacturing, packing or holding human food provide the authority we need to ensure that processors produce safe, wholesome food.

The Retail Food Inspection program is reviewing, in partnership with the Kansas Department of Health and Environment's Bureau of Consumer Health, the 2005 FDA Model Food Code as a first step toward adopting it as regulation. It would replace the 1999 Kansas Food Code currently used. The food code provides requirements that ensure safe operations in food service establishments and retail food stores.

We have contracted with FDA to perform 75 food manufacturing inspections between Sept. 1, 2005, and Aug. 31, 2006. Under this contract, our inspectors were able to attend FDA's electronic State Access to FACTS (eSAF) and Better Process Control School. Electronic State Access to FACTS is a web-based portal that gives our inspectors access to FDA inspection data for Kansas companies and allows FDA to capture inspection data electronically. The Better Process Control School provides instruction on processes for commercial canning of high-risk foods.

The Retail Food Inspection program has six inspectors (one position is vacant), one technical specialist and a director food safety. The program has contracted with seven local or county health agencies to inspect food service operations in retail food stores in 13 counties. To date, more that 2,800 inspections have been performed. All inspections are prioritized by risk, with more complex food preparation activities classified as higher risk.

There currently are more than 5,000 licensed operations that fall under this program's jurisdiction. They are broken down as follows:

- 2,872 retail food stores

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Food Safety and Consumer Protection Programs

The Retail Food Inspection budget for fiscal year 2005 was $354,249. The program is funded entirely by fees and grants.

The program had six full-time employees in fiscal year 2005.

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Food Safety and Consumer Protection Programs

The Meat and Poultry Inspection budget for fiscal year 2005 was $2,746,039. 48 percent came from the state general fund, 49 percent came from federal funds and 3 percent came from fees and a grant.

The program had 59.6 full-time employees in fiscal year 2005.

- 1,967 food service establishments in retail food stores
- 524 food processors
- 46 ice cream trucks
- 38 vending machine companies

The program is surveying licensees to determine what, if any, changes should be made to our current licensing structure. As food business models evolve, nontraditional and diverse operations are created that do not fit existing license categories. The program also is considering regulatory changes that would allow individuals to produce and market low-risk food items, like cookies, from their home. These changes would allow us to offer food safety education to these individuals while providing trace-back capabilities to ensure that public health is protected and the burden on the individual is minimized.

Meat and Poultry Inspection

The Meat and Poultry Inspection program ensures the safety and wholesomeness of meat and poultry items produced by Kansas slaughter and processing plants that are not under federal inspection. The program's mission is to detect, and eliminate from commerce, meat and poultry items that pose a health threat, are improperly labeled, or serve as a source of economic fraud to the consumer.

The program provides on-site inspection at slaughter and processing plants and out-of-plant enforcement through compliance officers who review products in commerce. Kansans who depend on the Meat and Poultry Inspection program include consumers who obtain meat and poultry products through commerce, plant owners who offer those products for sale, and livestock producers who market such Kansas-raised products.

The Kansas Meat and Poultry Inspection Act requires that all who are engaged in the business of slaughtering, processing, dressing, packing, manufacturing, distributing, brokering, wholesaling, or storing meat and poultry food products in Kansas be registered with, and in some cases pay a fee to, the Kansas Department of Agriculture. In fiscal year 2005, there were 378 such businesses registered.

The Meat and Poultry Inspection program has three objectives: food safety, consumer protection, and education and outreach. The food safety objective is accomplished by ensuring that only meat and poultry products that do not pose a food safety hazard are allowed to enter the human food supply. The consumer protection objective is achieved by inspecting meat and poultry products involved in intrastate commerce to ensure that they comply with established standards of identity and labeling, which minimizes the opportunity for product adulteration and economic fraud. The education and outreach objective is met by supplying Meat and Poultry Inspection personnel with educational meetings, continuing education exercises and training materials, and by helping owners and operators of state-inspected facilities understand and comply with state and federal laws and regulations.

The Kansas program is modeled after the federal inspection program. Federal law requires state meat and poultry inspection programs

to operate in a manner deemed at least equal to the federal program. To verify this requirement, USDA's Food Safety and Inspection Service performs comprehensive reviews of state meat and poultry inspection programs. The reviews consist of two parts: 1) the state program submits an annual self-assessment document to USDA's Food Safety and Inspection Service; 2) USDA's Food Safety and Inspection Service performs onsite audits of the state program. Both the self-assessment and onsite federal audits examine nine review components:

- statutory authority and food safety regulations
- inspection methodologies
- product sampling
- staffing and training
- humane handling laws and regulations
- other consumer protection regulations
- enforcement regulations
- civil rights requirements
- funding and financial accountability requirements

Our program received an onsite federal review in October 2003 and was deemed equal to the federal program in all nine components.

Plant owners under state inspection face the same sanitation and facility standards as their federally inspected competitors. However, they are not allowed to ship products across state lines. These plants provide a valuable service to Kansas' smaller communities, and they contribute to local economies by providing jobs and an outlet for livestock producers. The Kansas Department of Agriculture supports federal legislation to eliminate the ban on interstate shipment of state-inspected meat and poultry products.

The program remains active in foreign animal disease surveillance and bioterrorism preparedness in cooperation with USDA's Animal and Plant Health Inspection Service, the Kansas Animal Health Department, and Kansas Emergency Management. The Kansas Department of Agriculture has nine veterinarians (eight in the Meat and Poultry Inspection program and one in the Pesticide and Fertilizer program) who will be called upon to respond to any outbreaks of foreign animal disease in our state.

Last summer, the program manager and three area veterinary supervisors attended a weeklong foreign animal disease training course in Ft. Collins, Colorado. The training was developed and presented by USDA's Animal and Plant Health Inspection Service, Colorado State University and the Colorado Department of Agriculture. Training will be offered again in May 2006 and our remaining five veterinarians have been enrolled.

To meet Governor Kathleen Sebelius' mandate that Kansas be National Incident Management System compliant, all program staff will complete 100-level Incident Command System training, while staff veterinarians will complete both 100- and 200-level training.

The program is working with Kansas Emergency Management and the Kansas Animal Health Department to secure funding to train all KDA

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Food Safety and Consumer Protection Programs

The ACAP budget for fiscal year 2005 was $409,283. 98 percent came from fees and 2 percent came from federal funds.

ACAP had eight full-time employees in fiscal year 2005.

veterinarians to be foreign animal disease diagnosticians through USDA at their Plum Island Animal Disease Center.

Agricultural Commodities Assurance Program

The Agricultural Commodities Assurance Program regulates the quality of eggs, feed, pet food and seed. Inspectors routinely visit supermarkets, feed mills, pet stores, and other retail and wholesale outlets to verify that products are properly labeled and to collect samples to send to our Agricultural Laboratory for analysis. These inspections ensure that food products consumed by the public are safe.

Last year, more than 50,000 eggs were inspected by ACAP staff. Inspections ensure that eggs are stored at 45 degrees Fahrenheit or lower, since storing them at a higher temperature may cause salmonella to grow, posing a human health threat. During fiscal year 2005, egg compliance rates remained level at 94 percent. This percentage includes compliance with all requirements, not just temperature. Staff will increase egg inspections this fiscal year in an effort to further improve the compliance rate.

ACAP staff visit approximately 1,200 state and federally licensed feed mills to conduct good manufacturing practice inspections. Inspectors verify that these feed mills follow established good manufacturing practices to ensure that they produce feed that is safe and in compliance with state and federal rules.

During feed mill inspections, ACAP staff pay extra attention to materials that include bovine (cow) protein, since it has been identified as the vehicle responsible for spreading bovine spongiform encephalopathy, or BSE. Inspectors verify that any product containing bovine protein is labeled with a cautionary statement indicating that it must not be fed to cattle or other ruminants.

The compliance rate for feed samples checked for prohibited materials was 100 percent. This is a 2 percent increase over fiscal year 2004. This number includes feed not intended to be fed to ruminants. Because compliance is so important to human health and the livestock industry, our goal is to maintain 100 percent compliance. When violations are reported by the Agricultural Laboratory, inspectors investigate to ensure that prohibited materials were not fed to cattle or other ruminants.

ACAP has contracted with the Food and Drug Administration to conduct BSE inspections at facilities that make or sell feed. In 2005, staff conducted 25 BSE inspections. Beginning in 2006, that number will increase with an added focus on BSE and prohibited materials. Also, ACAP received a three-year grant from FDA to bolster our BSE inspection functions.

ACAP also helps the federal government investigate tissue residue cases, where antibiotics and other drugs have been detected in animals

destined for the human food supply. When a carcass is examined by a federal inspector, and antibiotic or other drug residue is found, ACAP investigates the cause and source of the problem. Last year, 16 tissue residue cases were referred to ACAP for investigation. We anticipate that number will remain constant.

Typically, when drug residue is detected, the problem can be traced to a dairy producer or rancher who medicated a sick animal and did not wait long enough for the drugs to be expelled by the animal's body before marketing it. The ACAP inspector provides information regarding the importance of following label instructions and federal rules, and conveys the consequences of improperly medicating animals.

Most consumers look at nutrition labels on foods they consume. Some also look at the nutrition labels on their pet's food. ACAP inspectors make sure that the food we feed our pets contains what is identified on the product label.

Seed inspections are important to the agricultural industry and to consumers. Farmers use germination and purity guarantees to determine crop yield. If seed does not meet those guarantees, the crop will be less than expected and the farmer may suffer economically. Poor crop yields may ultimately raise the price of food for consumers.

At the end of fiscal year 2002, ACAP began outsourcing its seed analyses to a private seed laboratory. Outsourcing the seed laboratory work resulted in cost savings to ACAP, which allowed us to fund additional seed inspections and investigations. Seed compliance rates ran 91 percent in fiscal year 2005. This high number was largely due to a change in inspection priorities for the last several years. Prior to fiscal year 2004, inspectors sampled available seed without targeting any particular type. In fiscal year 2004, in an effort to be more effective, inspectors were directed to sample seeds with a poor compliance history, such as grass seed. This strategy is working and we will continue to focus our resources on those seeds with a poor compliance history.

Weights and Measures

Ensuring accurate weights and measures are two of the oldest government functions. It is specifically mentioned in the Articles of Confederation and the United States Constitution. The global and United States economies depend on uniform standards of mass, volume and length. Thus, the Weights and Measures program serves a very important role in consumer protection and in facilitating trade.

Weights and Measures inspectors test all kinds of commercial weighing and measuring devices. They test scales used in grocery stores, grain elevators, livestock sale barns, pawn shops and other locations. They test gas pumps and meters used to sell chemicals or to sell propane to homeowners. They check packages containing edible and inedible products to ensure that the consumer receives the quantity stated on the label, and they even verify that scanners scan the correct price. Essentially, all consumer goods are subject, in one way or another, to the weights and measures law.

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Food Safety and Consumer Protection Programs

The Weights and Measures budget for fiscal year 2005 was $1,398,646. 45 percent came from the state general fund and 55 percent came from fees.

The Weights and Measures program had 21 full-time employees and one unclassified, temporary employee in fiscal year 2005.

Functions of the Weights and Measures program fall into six categories:

- small scales
- scanners and packages
- large scales
- gas pumps and fuel quality
- meters
- metrology

The metrology function provides traceability services, both internally and externally. In addition to certifying the mass and volume standards for our own inspectors, the metrology function provides certification for service companies and industry.

Each year, the metrology program certifies approximately 11,000 standards. These standards include weights, test measures and provers. The certification provides traceability of those standards to those at the National Institute of Standards and Technology. Most of these standards are used to calibrate weighing and measuring devices, but a small portion are used by local industry in their quality control programs.

The metrology program participates in round-robin tests of standards and regional metrology meetings to ensure that results from our laboratory are consistent with other metrology laboratories throughout the world. Because of the strict guidelines the metrology laboratories follow, one can be confident that a pound in New York is the same as a pound in Topeka and is the same as a pound in Los Angeles.

Kansas requires every commercial weighing or measuring device, excluding gas pumps, to be tested by a licensed service company each year. The Weights and Measures program licenses service companies and their technicians. These companies are authorized to repair, install and certify commercial weighing and measuring devices. Kansas is believed to be the only state that allows its service technicians to actually certify commercial weighing and measuring devices.

The Weights and Measures program provides oversight to these service companies and service technicians. Computer-generated lists of scales recently tested by service companies are provided to inspectors of large and small scales. The inspectors retest the devices and compare results to ensure that the device was properly tested. If we find that a commercial scale hasn't been properly tested by a service company, the scale must be retested and the service company may be fined.

Compared to some other states, the number of devices tested by the Weights and Measures program is lower, but our compliance rate for accuracy of these devices tends to be higher. The goal of any weights and measures program should not be the number of devices tested, but ensuring devices are accurate. Focusing on outcomes instead of outputs has served us well.

During the last fiscal year, the Weights and Measures program found that 94 percent of small scales in the state were accurate. This is slightly

higher than the previous fiscal year's rate. The compliance rate for large scales is lower because of climatic challenges; 79 percent. Traditionally, the focus has been on conducting a representative scale test to determine the compliance rate for the state. Since the compliance rate is known to be low, the program is now concentrating on problem scales and conducting more follow-up inspections. It is hoped that through these efforts the compliance rate for large scales will continue to improve. After this fiscal year, the program will again conduct tests based on a representative sample to determine if the compliance rate has improved.

Unlike small scales, which are used in a controlled environment, vehicle-tank meters and liquefied petroleum meters are used on the backs of trucks. They are subject to harsh environmental conditions (rain, snow, ice, heat, dust, vibration, etc.) and are harder to maintain in an accurate condition. As with large scales, emphasis is placed on follow-up inspections. Compliance rates improved in fiscal year 2002 and again in fiscal year 2003, but dropped a little in fiscal year 2004. The compliance rate for meters in fiscal year 2002 was 73 percent, 79 percent in fiscal year 2003, 76 percent in fiscal year 2004 and 84 percent in fiscal year 2005. While this number may not appear high, it is an improvement over the compliance rate of 67 percent for fiscal year 2000.

Weights and Measures inspectors also conduct price verification inspections at facilities using scanners. The compliance rate for inspected facilities in fiscal year 2002 was only 49 percent. It was 55 percent in fiscal year 2003, 63 percent in fiscal year 2004 and 68 percent in fiscal year 2005. This number is still low. However, it is moving in the right direction due to increased oversight. The compliance rate includes stores that undercharged as well as those that overcharged. In fact, the number of items for which stores undercharge is slightly greater than those for which they overcharge. The Weights and Measures program continues to prosecute serious repeat offenders While this has been effective at bringing those repeat offenders into compliance, the overall compliance rate has not improved as quickly as we hoped.

Inspectors who conduct small scale and scanner inspections also verify the net contents of consumer packages. Last fiscal year, inspectors sampled lots containing more than 153,000 packages to ensure that they contained the correct net quantity. In other words, they made sure that the consumer was receiving the amount of product for which he or she had paid. In an effort to use resources effectively, inspectors target packages they suspect do not contain the correct net quantity and do not inspect packages that have a high probability of passing inspection. This is important to understand when looking at the compliance rate for packages. Only 67 percent of the packages passed inspection, but this does not mean that only 67 percent of the packages sold in the state are correct. One cannot draw any conclusions about all packages sold throughout the state. Inspectors conduct audit inspections (nonofficial inspections) to screen packages and only inspect packages that are likely to be in violation. Consequently, compliance rates apply only to those packages actually inspected.

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Food Safety and Consumer Protection Programs

The gas pump program tests more than 20,000 gas pumps each year to ensure that the consumer is getting all the fuel for which he or she has paid. This program has been very successful since changes were made to it in 1996. Prior to 1996, service companies were responsible for the annual gas pump tests. An increase in the petroleum inspection fee fund allowed the Weights and Measures program to assume responsibility for testing gas pumps. While the compliance rate for gas pumps in fiscal year 1997 was only 88 percent, it improved to 95 percent in fiscal year 2001 and remained there through fiscal year 2003. In fiscal year 2004 the compliance rate increased to 97 percent, where it remained in fiscal year 2005.

Gas pump inspectors randomly collect fuel samples to send to a private laboratory for analysis. It can be said, based on the results of these inspections, that fuel quality in Kansas is excellent. Ninety-seven percent of the fuel samples this year passed the quality testing performed by the laboratory. The compliance rate has not been below 97 percent in the last four years.

Equipment for a new program, wholesale meter testing, was acquired in fiscal year 2002 and put into service in fiscal year 2003. This year we tested 387 wholesale meters used to sell gasoline and diesel fuel. The compliance rate was 94 percent, which is an increase from fiscal year 2004.

The Weights and Measures program will continue to inspect weighing and measuring devices in an effort to protect consumers and to provide equity in the marketplace. Shifting resources based on compliance rates of the various weighing and measuring devices and changing test methods will continue as a way to improve compliance rates without increasing staff size or program cost.

Grain Warehouse Inspection

The Grain Warehouse Inspection program administers and enforces the Kansas Public Warehouse Law relating to grain storage. It requires that any entity that stores grain for the public be licensed to ensure that Kansas grain producers have safe, solvent warehouses where they may store their commodities. To achieve this, the program examines state-licensed facilities at least once each year.

During fiscal year 2004, the Grain Warehouse Inspection program had 146 licensed elevators and 274 additional locations. The program performed 165 random examinations on the 146 licensed facilities. Facilities meeting only the minimum financial requirements, or facilities with serious compliance problems, were examined more than once during the year.

Examinations help:

- reduce fraud in the grain industry.
- ensure the quantity of stored commodities in Kansas-licensed warehouses.
- achieve our goal of maintaining the percentage of loss to producers at zero.

The Grain Warehouse Inspection budget for fiscal year 2005 was $448,890. The program was entirely fee funded.

The program had 7.2 full-time employees in fiscal year 2005.

The number of state-licensed elevators continues to decline. The decline in state-licensed facilities can be attributed to grain companies merging, being sold to another federally licensed or state-licensed facility, or elevators going out of business. When elevators merge, it is to reduce operating costs and to increase productivity.

A licensed elevator, with the approval of the Grain Warehouse Inspection program, may move warehouse-receipted grain to another licensed, bonded terminal elevator. This allows smaller facilities to free up bin space for the next harvest. Also, with approval from the program, licensed facilities may use emergency or conditional storage space during harvest when storage space is in short supply. This allows the elevator to better serve Kansas crop producers.

Since the program was transferred to the Department of Agriculture in 1997, it had been drawing down reserve funds that were transferred with it. We knew that our annual expenditures were consistently higher than revenues from fees, so we discussed possible solutions with stakeholders, took steps to gain efficiencies and sought other sources of revenue. In January 2004, program fees were increased to the maximum allowed under current law for all but the smallest grain elevators. Then the 2005 Legislature approved an annual base state general fund allocation of $150,000 to supplement fees collected by the program.

Also during the 2005 legislative session, the statutes were changed to grant grain examiners the authority to obtain representative samples whenever they suspected grain quality was in jeopardy. If quality problems are confirmed in a representative sample, the statute gives the secretary of agriculture authority to require the warehouse to have suspect grain thoroughly sampled and graded by the Kansas Grain Inspection Service. If the facility does not comply with the required sampling, the secretary may order it done at the facility's expense.

Looking ahead, warehouses will be moving toward electronic receipts. USDA already has implemented electronic warehouse receipts in cotton, coffee and peanuts, and is considering their use for grains. To remain competitive, Kansas may need to update its laws and regulations to allow industry to use electronic receipts. Authorizing electronic receipts also should reduce the amount of time examiners spend on examinations and they may even help reduce fraud.

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Water Resource Programs

The Water Management Services budget for fiscal year 2005 was $925,026. 99 percent came from the state general fund and 1 percent came from special revenue funds.

Water Management Services had 13 full-time employees in fiscal year 2005.

Water Management Services

Water Management Services provides technical and data support to the chief engineer and to all Kansas Department of Agriculture water resource programs. The Water Management Services' goals and responsibilities are to:

- Provide administrative and technical assistance to the three water resource program areas, including leadership, management and coordination from the chief engineer.
- Develop long-term water management programs to address interstate and intrastate issues.
- Provide staff management and training.
- Represent Kansas in interstate river basin compacts.
- Implement or conduct interstate and intrastate monitoring programs to ensure compliance with interstate compacts.
- Provide quality control of data in the Water Rights Information System and Water Structures Inventory.
- Develop and manage Geographic Information System resources.
- Review and approve water conservation plans.
- Coordinate program efforts with other water-related agencies.
- Conduct hydrological studies to provide information for regulatory decisions.
- Monitor stream flows and provide analyses to support minimum desirable streamflow administration.

Kansas is party to four interstate river compacts: the Republican River Compact with Nebraska and Colorado; Kansas-Colorado Arkansas River Compact; the Kansas-Oklahoma Arkansas River Basin Compact; and the Big Blue River Compact with Nebraska.

The chief engineer is a member of each compact administration to ensure that Kansas' interests are represented. The chief engineer, or his designee, also represents Kansas on the Missouri River Basin Association and the Western States Water Council.

Water Management Services staff provides technical support and serve on various compact committees. This specifically includes activities related to compliance and enforcement, data acquisition and analysis, hydrological or groundwater modeling, and representing Kansas' interests at compact meetings.

Republican River Compact, Kansas v. Nebraska: On December 16, 2002, Kansas, Colorado and Nebraska announced a settlement had been

reached. On June 30, 2003, Kansas, Colorado and Nebraska agreed on a groundwater model to quantify, by state, groundwater use impacts on streamflow to be used in compact accounting procedures. The groundwater model and accounting procedures were initiated this year on 2004 data.

Our Republican River Compact work for the coming year will continue to focus on implementing the settlement's provisions, including:

- annual exchange of extensive water use and other data;
- updating and running the groundwater model for 2005;
- participating in the second year of a five-year study on the impact conservation practices have on the basin's water supply, including an update to our dam inventory; GIS activities related to basin terracing, and related field activities; and
- cooperating with the Bureau of Reclamation and state of Nebraska on a study of potential system improvements in the lower Republican River basin to improve use of the water supply.

In addition, we continue to monitor Nebraska and Colorado's compliance with settlement requirements through field work and data review. We are working with our consultants to complete a number of enhancements to the Republican River groundwater model so we can evaluate our own compliance with the settlement, as well as the compliance of the other states.

Arkansas River Compact, Kansas v. Colorado: Staff provided support to the litigation team to resolve issues remaining in the case. Our exceptions to the 2003 special master's report were argued before the U.S. Supreme Court in October, and the court issued its opinion December 7, 2004. The case is now back with the special master to calculate final damages and interest, to prepare the final court decree and to resolve issues related to future compact compliance in accordance with the court's decisions. Extensive settlement negotiations took place in 2005 to address many of the issues prior to the final decree. One issue was arbitrated, and the final arbitrator's decision is expected in mid-December 2005. Completing and implementing the final decree are important to protect what Kansas accomplished through this litigation.

Staff continues to provide technical support to help resolve ongoing concerns regarding John Martin Reservoir operations and fulfilling Kansas' duties to the compact administration. An agreement was reached between Kansas and Colorado in October 2005 to ensure a fair accounting of the delivery of water stored in John Martin Reservoir. As litigation nears its end, we are working to transfer expertise from our consultants to our staff to implement the court's decisions and to monitor Colorado's compliance. This includes running the hydrologic-institutional model and learning to evaluate changes in Colorado's water administration. Colorado has invested $750,000 in an ongoing study to change or adjust certain factors used in the hydrologic-institutional model used to determine compliance.

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Water Resource Programs

Other activities planned for calendar year 2006 include:

- In 2005, the chief engineer approved a charter for the Central Kansas Water Bank within the boundaries of Big Bend Groundwater Management District No. 5. We expect water banking activity to begin in the late 2006, and that will require Water Management Services to conduct water right status reviews, review water right deposit and lease applications, process term permits and address other water right issues related to water banking. We won't know how much time and effort will be required until we see how much interest there is in the water bank.

- We plan to investigate several water right impairment complaints and to collect and analyze field data to develop sufficient hydrological analyses to support regulatory decisions.

- We held a hearing late in 2004 on the aquifer storage and recovery project proposed by the City of Wichita for its well field in the Equus Beds Aquifer. On August 8, 2005, the chief engineer signed an order approving Phase I of the project. Phase I involves 11 applications for permits to appropriate water, seven of which relate to bank storage wells that are designed to divert water temporarily stored in the bed and banks of the Little Arkansas River when flow is above base stage. It also involves four aquifer storage and recovery wells designed to divert water from bank storage wells to recharge the Equus Beds Aquifer. Recharge credits will need to be accounted for through data collection and a computer model.

- We will coordinate with the Kansas Water Office and the City of Hays regarding the city's water supply involving well fields in the Smoky Hill and Big Creek basins, Circle K Ranch (owned by the cities of Hays and Russell) and the potential use of Wilson Reservoir. A computer model study of the proposed reconfiguration of the city's Smoky Hill well field was reviewed during 2005, and it will be used to help determine whether the change applications for the reconfiguration should be approved.

- In 2004, the Kansas Geological Survey and the Division of Water Resources secured State Water Plan funding through the Kansas GIS Policy Board for the Water Information Management and Analysis System project. The system allows the public to get up-to-date information about water rights and water usage in Kansas via the Internet. All that is needed to access and view the data is Internet access and a standard web browser. Users can now access the entire history of reported water use and spatial mapping of authorized irrigated acreage, both of which were unavailable in older versions of the program. The current system provides a broad range of options to query water rights and a host of tools and functions that summarize both current and past water use data.

- We will coordinate with the Subbasin Water Resource Management Team, the Kansas Water Office, members of the

technical advisory committee and DWR's peer review consultant to develop groundwater models in several hydrologic units within the state.

Water Appropriation

The Water Appropriation program is the largest and most diverse of the Division of Water Resources programs. It administers the provisions of the Kansas Water Appropriation Act; portions of the Kansas Groundwater Management District Act; portions of the State Water Plan Storage Act; and is involved in the Water Transfer Act.

The Kansas Water Appropriation Act provides the foundation for the acquisition and administration of water rights in the state. Primary functions are to:

- Process applications for a permit to appropriate water for beneficial use.
- Issue certificates of appropriation for beneficial use of water in accordance with the development of a water right within the terms, conditions and limitations of the permit to appropriate water for beneficial use.
- Process applications for a change in point of diversion, place of use, and/or use made of water under an existing water right.
- Process water transfer applications.
- Maintain a reporting and accounting system of the amount of water used as reported by each water right holder. Implement testing of an online system to report water use data via the Internet.
- Process forfeitures of water rights (abandonment) for failure to use water without sufficient cause for nonuse. Process voluntary closures of water rights.
- Allocate water during shortages and investigate impairment, waste, illegal wells, or water use in violation of water right terms, conditions or limitations.
- Review and approve proposed revisions to management programs of the groundwater management districts.
- Maintain Water Rights Information System by continuously updating application, water right, ownership, name and address information. This is used as the base for the Water Information Management and Analysis System the public can use to access water rights information.

There are approximately 38,000 permits and water rights in the state that authorize the beneficial use of water. About 410 new permits and 530 change applications were processed between July 1, 2004, and

The Water Appropriation budget for fiscal year 2005 was $3,166,657. 81 percent came from the state general fund, 11 percent came from fees and 8 percent came from special revenue funds.

The Water Appropriation program had 55 full-time employees and four unclassified, temporary employees in fiscal year 2005.

June 30, 2005. Verified reports have been completed by the field offices for all of the 400 permits that had accumulated but had not been certified. More than 125 hearings have been held, or are scheduled to be held, to determine if certain water rights have been abandoned. About 60 files remain that need to be certified or abandoned based on a hearing.

Emphasis is now on timely processing of new permit applications. There were nearly 600 permit applications that were pending in February 2002 and that number has been reduced to about 200. Permit processing is approaching real-time, as the remaining files are those that have technical issues to resolve. Meeting the goal of real-time processing will allow the division to concentrate on meeting the legislative mandate to process applications within 150 days.

A project was initiated in 2001 to identify users who have pumped more water than their water right allows. Technical assistance is provided to these users to help them stay within their water right. If they persist in overpumping, an enforcement action may be taken to order them to stop pumping. The project initially focused on the Ogallala Aquifer and those who pumped large amounts in excess of their water rights. The project was extended to include areas beyond the Ogallala Aquifer. For the 2006 irrigation season, this project is expanded to include the entire state. In addition to those who pumped large quantities, a randomly selected number of those who reported any use over what was authorized were subject to a compliance investigation and possible enforcement action. Finally, some water rights were randomly selected for compliance checks regardless of the amount of use reported. In the past season, civil penalties were assessed for violations of minimum desirable streamflow agreements and some of those that have repeated overpumping violations.

Persistent dry conditions in the Republican River system and other northern Kansas river basins is causing flow to go below minimum desirable streamflow criteria. Water rights junior in priority to the minimum desirable streamflow statute have been required to limit their diversions.

Meter orders have been sent to water right owners in the Solomon River basin and in the fringe areas of the Ogallala Aquifer in the upper Republican River system. Meter orders were sent to owners in Hodgeman and Ness counties within the Pawnee Buckner subbasin. Meter orders will be sent to water right holders in the Northwest Kansas Groundwater Management District No. 4. Each of these activities is part of the enhanced water management strategy described in the State Water Plan.

The program will be implementing a project to install some remote reading devices on meters located in the lower Republican River basin. This program is supported by the Bureau of Reclamation.

Water is an essential public resource, and the Water Appropriation program is committed to ensuring that all Kansans will have an adequate supply of water for the future.

Water Structures

The Water Structures program is made up of four teams:

- administration
- stream obstructions and channel changes
- dam safety
- floodplain management

The program regulates human activities that affect the flow of rivers and streams to ensure that those activities are properly planned, constructed, operated and maintained for their authorized purposes without adversely affecting public health, welfare or safety, the environment, or public and private property. Water resource regulation is accomplished primarily through permitting dams and other structures constructed in a stream or floodplain, or that alter the course, current or cross-section of a stream, and investigating complaints from the public about such structures.

The floodplain management team provides general technical assistance to the public and local units of government regarding floodplain management issues, oversees floodplain mapping projects, and develops strategies for soliciting and using federal grants and state resources to implement future floodplain mapping and studies in the state.

The studies noted below are funded by the Federal Emergency Management Agency's cooperative technical partnership program. The anticipated increase in studies and related categories is due to FEMA's charge from Congress to remap the entire country in the next few years. When a community receives a new map, it should adopt an amended ordinance, which is why the number of ordinances approved is expected to increase as well. The floodplain management team contracts with engineering firms to conduct these studies and manages the contracts to ensure FEMA's requirements are met in a timely manner. Floodplain management activities for fiscal years 2004 and 2005, and the goals for fiscal year 2006, are:

	FY 2004 Actual	FY 2005 Actual	FY 2006 Goal
Communities with new or updated flood-hazard maps	6	6	45
Studies initiated	8	12	30
Studies completed	3	8	16
Miles mapped in completed studies	300	2,550	8,600
Ordinances reviewed	11	13	25
Ordinances approved	11	13	25
Processing time for floodplain zoning ordinances (days)	40	30	30

The stream obstruction and channel change team processes permits for floodplain fills, levees, stream obstructions and channel changes. We

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Water Resource Programs

The Water Structures budget for fiscal year 2005 was $1,715,217. 34 percent came from the state general fund, 50 percent came from FEMA funds, 5 percent came from special revenue funds and 10 percent came from fees.

The Water Structures program had 14.5 full-time employees and 3.49 unclassified, temporary employees in fiscal year 2005.

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Water Resource Programs

continue to focus on reducing the length of time it takes to review permit applications and increasing public awareness of legal requirements. The decline in permits processed reflected below is due in large part to a decrease in applications from the Kansas Department of Transportation. This is a trend we don't expect to continue because of the new national transportation program. Following is a summary of team activity in fiscal years 2004 and 2005, and our goals for 2006:

	FY 2004 Actual	FY 2005 Actual	FY 2006 Goal
Processing time for regular permit applications (days)	188	118	120
Processing time for general permit applications (days)	55	40	40
Processing time for floodway fringe fill approvals (days)	157	86	85
Process stream obstruction permits	507	424	475
Process channel change permits	77	75	80
Process floodplain fill/levees	149	120	135
Permit determinations received	106	202	200
Permit determinations processed	105	214	200

The dam safety team is responsible for permitting dams above a certain size, and either inspecting or overseeing inspection of those structures. Dams in Kansas are assigned a hazard classification ('a' or low, 'b' or significant, 'c' or high) and size category (one through four). Reviewing safety inspection reports is a relatively new task brought about by changes in statute in 2002. Rather than conduct most inspections of high- and significant-hazard dams, our primary responsibility is to review reports provided by dam owners' engineers. Dam safety team activities for fiscal years 2004 and 2005, and the goals for fiscal year 2006, are:

	FY 2004 Actual	FY 2005 Actual	FY 2006 Goal
Number of new dams and modifications properly completed	37	47	60
Dam and dam modification permits processed	76	59	60
Number of core trench inspections	20	16	25
Number of pipe inspections	23	12	25
Number of final inspections	25	12	30
Number of site inspections	31	59	60
Number of unsafe dam inspections	2	1	4
Number of high-hazard dam inspections	3	2	8
Number of significant-hazard dam inspections	8	2	8
Number of safety inspection reports reviewed	57	69	170

One special project involves two temporary positions funded by the federal dam safety grant renewed by Congress two years ago. This grant expires at the end of federal fiscal year 2006, although we anticipate another grant program will be approved by Congress when this one expires. These positions enhance the dam safety program by improving public education and information efforts, and by investigating dams that currently are not permitted. Our primary goal is to contact owners of dams we discover using satellite technology that may not have been permitted before they were constructed. We need to ensure those dams were properly constructed and that they are maintained and operated in a manner that protects the public, private property and the environment.

The stream obstruction and channel change team has made a concerted effort this past year to make sure counties know what the law requires. Each county was sent a letter outlining the number of permits the county currently holds and an explanation of statutory requirements. We also have met with county road and bridge officials and made presentations to local officials to make them aware that permits are required for some of their construction projects.

New rules and regulations relating primarily to the construction and operation of dams were developed this past year. The regulations are almost ready for formal review, which will culminate in public hearings sometime in 2006. The regulations were last amended in 1986, and the new regulations address amendments made to the Obstructions in Streams Act by the 2002 Legislature.

This past summer, the floodplain management team successfully obtained a short-term grant from FEMA to help Sedgwick County notify landowners in the floodplain of the risks of being located there, the local regulations that affect them, and the availability of flood insurance. This effort was part of the team's ongoing attempt to provide more and better public information about floodplain management issues.

State Water Plan

The Subbasin Water Resource Management Program addresses water resource issues identified and funded by the State Water Plan and implemented by the Kansas Department of Agriculture's Division of Water Resources. Management strategies are developed in a proactive approach with local stakeholder groups to address groundwater decline, streamflow depletion and related water quality concerns in the identified project areas.

Hydrologic data is shared through a cooperative effort with local, state and federal agencies. Stakeholder groups provide input and help develop long-term management strategies. This input allows close interaction between government agencies and the public sector while making decisions at the local level. However, even with good interaction between agency staff and the public, we are concerned about the amount of trust, time and funding it takes to develop management strategies and the amount of staff time it takes to implement them. In addition, there is concern in the regulated community about possible administrative action in the Middle Arkansas, Rattlesnake Creek and Pawnee Buckner subbasin project areas.

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Water Resource Programs

The Subbasin Water Resources Management budget for fiscal year 2005 was $859,067. It is funded entirely by State Water Plan funds.

The Subbasin Water Resources Management program had 10.69 unclassified, temporary employees in fiscal year 2005.

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There are many benefits to using a proactive approach to develop management strategies:

- Individuals are more likely to participate in voluntary, incentive-based approaches that address water issues.
- Fewer taxpayer dollars are spent on costly litigation to enact an intensive groundwater use control area, which typically results in harsh administrative action.
- Individuals who participate are more aware of water resource concerns in their area.
- Local taxpayers have a say in how the water resource is protected from further degradation.

The program currently conducts approximately 2,300 water level measurements and 325 streamflow measurements each year. In addition, about 20 public meetings are held and 39 educational articles are provided to address water issues and to develop management strategies for specific areas. These numbers vary marginally when projects enter the implementation phase and as new areas enter the program.

The program currently hosts a website — www.ksda.gov — that provides information on data collection activities, water use, project-specific reports, related links, meeting dates and minutes, and contact information for interested parties in targeted areas.

Changes made during fiscal year 2005 include implementing management strategies in the Middle Arkansas, Pawnee Buckner and Rattlesnake Creek subbasins, helping with website development, and merging water level data with the Kansas Geological Survey to enhance the water level measurement program. In addition, the program has been working with the Kansas Geological Survey on phreatophyte investigation and numerical groundwater modeling in the Middle Arkansas River subbasin.

Significant changes coming in fiscal year 2006 include calibration of a groundwater model in the Middle Arkansas River subbasin in cooperation with the Kansas Water Office and Kansas Geological Survey, building modeling skills within our program and developing enhanced management in project areas. Enhanced management involves the actions and activities needed to protect water rights and the aquifer and stream system. This will allow us to continue to focus on water conservation and to manage the resources in water-short areas.

Pesticide and Fertilizer

The Pesticide and Fertilizer program protects Kansans, the environment and agribusiness by ensuring compliance with laws governing:

- pesticide registration, storage and use;
- fertilizer registration and storage;
- land application of manure from confined swine feeding operations;
- chemigation.

In general, we balance education through outreach and compliance assistance with inspections, targeted investigations and progressive enforcement responses.

Specifically, we make sure that only registered pesticides and fertilizers are offered for sale or use in Kansas; that they are properly maintained and safely stored; that all pesticides are used safely and according to label directions; that soil nutrient levels are not exceeded when swine waste is applied to fields; and that safety equipment to protect groundwater is in place when chemicals and/or manure are applied via chemigation.

Additionally, we are the lead state agency for enforcement of the Federal Insecticide, Fungicide and Rodenticide Act under a cooperative agreement with the Environmental Protection Agency. This grant allows us to leverage our state pesticide program dollars for a program well above the state investment.

During fiscal year 2005, the Pesticide and Fertilizer program:

- Investigated 155 reports of pesticide misuse and 43 other complaints;
- Administered 55 scheduled pesticide applicator certification testing sessions at eight locations statewide;
- Reviewed 72 in-state and 65 out-of-state certification training programs;
- Monitored 50 in-state certification programs
- Performed 717 equipment and safety inspections of agricultural anhydrous ammonia facilities;
- Reviewed plans for pesticide and fertilizer secondary containment facilities;
- Reviewed swine nutrient management plans;
- Monitored nutrient levels in 480 fields associated with nutrient management plans;
- Provided special training and outreach assistance to facilitate compliance with the law;
- Performed 1,626 pesticide inspection;
- Performed 2,079 chemigation safety equipment inspections;
- Performed 1,122 fertilizer inspections;
- Took 373 enforcement actions (65 resulted in civil penalties);
- Referred 20 cases to EPA for federal enforcement.

The Pesticide and Fertilizer program budget for fiscal year 2005 was $1,547,051. 5 percent came from the state general fund, 58 percent came from fees and 37 percent came from grants.

The Pesticide and Fertilizer program had 27 full-time employees in fiscal year 2005.

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Environmental Protection Programs

In 2005, we converted to a credit-unit system for commercial pesticide applicator recertification training from the previous all-or-nothing training approach. We also expanded our tracking of sensitive crop issues and implemented weekly reporting of complaints alleging injury to sensitive crops. And, we drafted proposed changes to the regulations for the Kansas Pesticide Law with regard to enforcement responses.

In 2006, we plan to integrate GIS data into our inspection and investigation processes, as well as into our sensitive crop registry. We also plan to enhance our existing online registration opportunities offered through Kelly Registration Services. We also plan to draft a proposal to integrate the Kansas Pesticide Law and the Kansas Agricultural Chemical Act during the 2007 Legislature.

Also in 2006, federal legislation could be passed that would require us to regulate the sale and distribution of nitrate fertilizers. We would likely meet this mandate using a cooperative grant similar to the one we have with the Environmental Protection Agency for the Federal Insecticide, Fungicide and Rodenticide Act.

Plant Protection and Weed Control

The Plant Protection and Weed Control program budget for fiscal year 2005 was $976,857. 69 percent came from the state general fund, 15 percent came from fees and special revenue funds, and 16 percent came from federal funds.

The Plant Protection and Weed Control program had 10.5 full-time employees and one unclassified, temporary employee in fiscal year 2005.

The goal of the Plant Protection and Weed Control program is to ensure the health and protection of the state's natural and cultivated plant resources by protecting them from high-risk invasive insects, plant diseases and weeds. Program activities are divided into safeguarding, export commodity assurance and pest management.

Safeguarding. Program staff conduct activities to protect Kansas plant resources from the entry and establishment of high-risk exotic and invasive pests. Excluding pests of regulatory significance will protect native and cultivated plant resources and maintain our ability to export Kansas-produced plant commodities and products. Pest exclusion activities also benefit the environment by avoiding additional pesticide use to control new pests. Staff have completed basic (100-level) and advanced (200-level) training under USDA's Incident Command System. This training will help us integrate resources with USDA and other partners in the event we need to respond to a biological event in Kansas.

Export Commodity Assurance. Program staff conduct activities to ensure that the pest-freedom requirements placed on Kansas-produced commodities by other states and foreign countries are met, which helps ensure expeditious movement of those commodities in international and domestic markets. The National Karnal Bunt Survey is a major project within this category. The survey was again conducted across the state by sampling more than 350 grain elevators.

Pest Management, Control and Eradication. Program staff conduct activities to manage, control, or eradicate selected pests of regulatory significance already established in the state and provide technical expertise to program cooperators involved in pest control. In the Japanese beetle biocontrol program, our laboratory cultured and

harvested spores of *Metarhizium anisoplieae*, a fungal pathogen specific to the beetle. The spores of the fungus were then released at specific sites to establish a natural control for existing populations of Japanese beetle. In addition, the laboratory provided spores to research and control programs in Iowa, Nebraska and Oklahoma. Establishing biological control in these states could reduce the importation of Japanese beetle on nursery stock from those states.

Anyone dealing with live plants must be licensed in the state of Kansas. Currently, there are nearly 2,400 licensed live plant dealers in Kansas. Staff conducted 310 verification inspections at randomly selected nurseries in 2005 to ensure compliance with the Kansas Plant Pest Act.

The number of phytosanitary certificates issued by the program continues to increase. By mid-November, staff had certified more than 131 million pounds of corn or corn products, 5.1 million bushels of soybeans, 2.9 million bushels of grain sorghum and 354 million pounds of sunflower. Commodities certified for export ranged from 200 pounds of orchard grass to 6.5 million pounds of distiller's dried grain. Also, 134,000 pounds of hackberry and 1,000 pounds of white oak were exported. The estimated value of commodities certified during fiscal year 2005 is $166 million. Sunflower was the top export at $79 million followed by soybeans or soybean products at $61.5 million.

In 2005, we participated in the National Soybean Rust Survey by establishing a mobile survey for Asian soybean rust. This was in cooperation with the USDA's Animal and Plant Health Inspection Service and Kansas State University's Cooperative Extension program. Weekly observations were made in July and August. Areas of the state monitored by the survey were south-central, southeast, east-central and northeast Kansas. The rust was not reported in the state by either the mobile survey or a set of sentinel plots established and monitored by KSU Extension Service. This information was relayed to industry and to federal cooperators in a timely fashion to allow for sound management decisions regarding pesticide application and scouting needs. Ultimately this information reduced input costs to Kansas producers and increased the profitability for the industry.

Insect surveys provide early warning to possible newly introduced pests so that stakeholders can take appropriate action to mitigate damage. If introductions can be caught early, eradication attempts are more likely to be successful and to cost less.

Gypsy moth, red imported fire ant, Africanized honeybee, pine pitch moth and Japanese beetle are just five pests of immediate importance. There are other forest and crop pests of great concern to the state. Monitoring for boll weevils to assure industry they are not in the Kansas helps the cotton industry in that they do not face quarantines on Kansas-produced cotton.

The survey entomologist sorted more than 500 samples this summer checking for exotic pests. These pests included Asian longhorn beetle, emerald ash borer, brown marmorated stink bug, boll weevil, pink

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Environmental Protection Programs

bollworm, bark beetles and weevils. The number of samples has increased because of increased surveillance for all of the above pests and better trapping methods. In cooperation with the Kansas Forest Service, more monitoring of forest pests is being conducted.

Tamarisk continues to be a dominant issue with the development of a 10-year management plan nearing completion. The plan, developed by a number of government agencies and nongovernment groups, will be presented to the governor in January for her approval. The Kansas Department of Agriculture is considering a quarantine prohibiting the sale of tamarisk in Kansas. An aerial survey for tamarisk was completed in late August, and the remainder of the Arkansas River was surveyed as was portions of a number of small streams in southern Kansas. Both the north fork and the main Cimarron River were surveyed and data was recorded in the same manner as in the past.

A leaf feeding beetle, *Diorhabda elongate*, was released by USDA's Animal and Plant Health Inspection Service at two reservoirs in northwest Kansas in late summer for tamarisk control. More releases are anticipated in 2006.

Weed-Free Forage Certification continues to expand in Kansas. More than 15,000 acres of various forage and mulch types have been inspected so far this year. Most producers are anticipating more acres for 2006, as the demand for certified weed-free product grows.

This program also serves as the lead agency in Kansas for the cooperative agriculture pest survey by USDA's Animal and Plant Health Inspection Service. The survey program is designed to collect and share plant pest survey and detection data with USDA and other states. The program database is a national repository for plant pest detection data collected through the cooperative agriculture pest survey program and other program cooperators. We have formed a new state cooperative agricultural pest survey committee with representatives from Kansas State University and the Kansas Department of Agriculture.

Recently, we used homeland security grant money to purchase much-needed equipment, including an all-terrain vehicle and a mobile laboratory and support trailer. This equipment will give us the tools we need to react immediately to pests that threaten our environment.

Plans are being made to survey for Khapra beetle, an exotic insect that is not known in the United States but has the potential to be introduced. Early detection and rapid eradication will be necessary to protect our grain trade. Africanized honey bees are in northern Oklahoma, just two counties south of the Kansas border. Protective equipment has been ordered and will be assigned to staff who will respond if the insect is suspected. A watch-list for insects and weeds is being prepared with input from many agencies to help with early detection. They will help us educate the public and enlist their help in finding and reporting invasive pests.

Agricultural Laboratory

Unlike most Kansas Department of Agriculture programs, the Agricultural Laboratory does not serve the public directly. No samples may be brought in by the general public to be analyzed. Instead, our customers are the regulatory programs within the Kansas Department of Agriculture.

The Agricultural Laboratory analyzes samples submitted by the department's different programs and provides credible, legally defensible results. While most inspections conducted by the department do not end up in court, those that do often rely on the analytical results issued by the Agricultural Laboratory.

The Agricultural Laboratory analyzed nearly 7,900 samples during fiscal year 2005, which is 500 more than fiscal year 2004 and 800 more than fiscal year 2003. These samples included milk, dairy products, feed, fertilizer, meat and pesticides (including soil, vegetation and water samples). Occasionally a priority sample that may affect human health or the environment is rushed to the pesticide laboratory for analysis. These samples may be soil, vegetation, water, or even an article of clothing that can be important to an investigation involving pesticide misuse. An analysis can help determine if water is safe to drink, or if medical treatment is necessary for someone who may have been exposed to a pesticide. The regulatory actions taken by the Pesticide and Fertilizer program often are dependent on the results reported by the laboratory.

The success of the Agricultural Laboratory is due to the expertise of our staff and our precision instrumentation. Lab staff cannot support the regulatory programs without proper instrumentation. During the last two fiscal years, the Environmental Protection Agency provided funds to purchase two new, more sensitive instruments in the pesticide laboratory. The feed and fertilizer laboratory will add a more sophisticated piece of equipment that will allow us to detect more metals than is possible using the equipment we have now. Currently, we are able to detect trace metals in plant foods. The new instrument will allow us to detect metals in animal feed and possibly fertilizer.

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Environmental Protection Programs

The Agricultural Laboratory budget for fiscal year 2005 was $1,212,638. 20 percent came from the state general fund, 70 percent came from fees and 10 percent came from federal funds.

The Agricultural Laboratory had 17 full-time employees in fiscal year 2005.

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Administrative Services and Support

The Records Center budget for fiscal year 2005 was $484,704. 32 percent came from the state general fund and 68 percent came from fees.

The Records Center program had 11 full-time employees in fiscal year 2005.

Records Center

The Records Center serves the customers of the Kansas Department of Agriculture by issuing all appropriate licenses, permits, registrations and certifications. We also maintain accurate records and provide data to field employees, or Kansas residents and organizations who request information through the Kansas Open Records Act. The Records Center serves the Pesticide and Fertilizer, Agricultural Commodities Assurance Program, Weights and Measures, Dairy Inspection, Meat and Poultry Inspection, Retail Food Inspection, Grain Warehouse, and Plant Protection and Weed Control programs.

Applications for new licenses, permits, registrations and certifications are initiated in the Records Center. Likewise, all renewal notices are mailed from the Records Center. Once applications are received, the information is entered into the appropriate database and a license is printed and mailed. The goal of the Records Center is to process applications in an efficient and effective manner. Renewal applications are mailed one month prior to expiration. Most applications are processed and licenses mailed within one week of receipt in the Records Center.

During the past year the Records Center processed 23,100 new and renewed applications. This is an increase of 4,900 licenses from last year. We also processed 2,650 inspection fee reports.

We are continuing to make improvements in our Oracle database. This year we developed registration applications for the food safety and chemigation renewals. We developed several reports that enable program managers to access the license and inspection data relevant to their programs

In June we added pesticide dealer registrations to our online renewals. This is being done in cooperation with Kelly Registrations Systems. We will add additional renewals to this program in the future.

Kansas Agricultural Statistics

The original powers and duties granted to the State Board of Agriculture in 1872 included biennial reporting on the status of agriculture. These duties were expanded to include statistical reporting in 1917. In 1924, a cooperative agreement was forged with the U.S. Department of Agriculture to ensure coordination of statistical reporting. As part of that agreement, the Statistics Division of the Kansas Department of Agriculture and the Kansas Field Office of the National Agricultural Statistics Service of the U.S. Department of Agriculture became a joint office known as Kansas Agricultural Statistics. By sharing resources with the National Agricultural Statistics Service, the Statistics Division is better able to serve the data needs of the Kansas agricultural community. A statistics fee fund allows us to meet the agricultural data needs of other public agencies.

Kansas Agricultural Statistics provides a wide array of agricultural data, much at the agricultural statistics district and county levels,

including crop and livestock production data. Some reports, like the crop report and cattle-on-feed report, are available monthly. Others, like the hog and pig reports, are available quarterly. Cattle and sheep inventory reports are available biannually. A crop weather report is available weekly from March through November to track crop progress and condition. These reports are financed primarily by federal funds. All reports are available online at www.nass.usda.gov/ks/.

Kansas Agricultural Statistics also provides various public agencies access to the division's statistical expertise and data collection resources to perform special surveys that are beneficial to Kansas agriculture. Several reports are funded by the Kansas Department of Agriculture or other Kansas government agencies.

The *Custom Rates* data series is a guide for providers and users of custom services to evaluate fair compensation for custom work performed. Data are collected from users and providers of custom services. The *Custom Rates* publication is available only on the Internet at www.nass.usda.gov/ks/. *Custom Rates* data are funded by the Kansas Department of Agriculture.

The *Bluestem Pasture Survey* that provided landowners and cattle producers in the important Flint Hills grazing area a way to evaluate grazing lease rates will not be available in 2006 because of reduced funding. Efforts are underway to reinstate the survey for 2007. The *Bluestem Pasture Survey* was funded by the Kansas Department of Agriculture.

The *Wheat Varieties Survey* is essential to both public and private wheat breeding programs. It takes many years to develop a new variety. The *Wheat Varieties Survey* allows wheat breeders to monitor acceptance of existing varieties and to assess the need for new ones. Seed dealers use the survey to ensure adequate supplies of planting seed. Data are available in hard copy and on the Internet at www.nass.usda.gov/ks/. The *Wheat Varieties Survey* is funded by the Kansas Wheat Commission through the statistics fee fund.

The *Wheat Quality Reports* are funded by the Kansas Wheat Commission through the statistics fee fund. The reports include an analysis of the quality of the current year's crop as measured by the inspection certificates issued by the Kansas Grain Inspection Service Inc. Weekly press releases on wheat quality begin as harvest gets into full swing and continue into August. A *Wheat Quality Bulletin* is available on the Internet in early September covering the current year's crop, followed by December and May press releases providing updates that include shipments for the rest of the year. The wheat quality press releases are available in hard copy and on the Internet. The *Wheat Quality Bulletin* is available only on the Internet at www.nass.usda.gov/ks/.

Agricultural land values at the agricultural statistics district level are a barometer of the health of the regional agricultural economy, which is important to producers, suppliers of inputs, financial institutions and others. The *Agricultural Land Values Survey* results are used by Kansas State University's department of agricultural economics to compute the

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Administrative Services and Support

Kansas Agricultural Statistics is a collaborative federal-state program. The state portion of their budget for fiscal year 2005 was $342,269. 74 percent came from the state general fund, 22 percent came from fees and 4 percent came from federal funds.

use value of agricultural land as required by state statute. The results are available in hard copy and on the Internet at www.nass.usda.gov/ks/. Funding is provided by the Kansas Department of Revenue through the statistics fee fund.

The *Farm Facts Bulletin*, a summary of each year's statistics, is a historic record widely used by researchers, businesses interested in entering Kansas, suppliers of production inputs and services, and many others. The *Farm Facts* publication is available only on the Internet at www.nass.usda.gov/ks/.

Kansas Agricultural Statistics has a cooperative agreement with USDA's Agricultural Marketing Service to fund the collection of agricultural marketing data not funded by the federal service. The data include feeder cattle price data from sales at livestock auctions in Pratt and Salina. A state-funded market news reporter located at the USDA/AMS office in Dodge City collects and disseminates price data on hay and sunflower sales statewide. The market news reports funded by the state are available on the USDA/AMS website at www.ams.usda.gov, through the Kansas Department of Agriculture website at www.ksda.gov, and on the Kansas Agricultural Statistics website at www.nass.usda.gov/ks

2004 Kansas Agricultural Highlights

In 2004, Kansas farmers set new records in corn and soybean production. Soybean yield was also a record high, while the corn yield was just two bushels below the record set in 1996. Sorghum production was up, while wheat production was down from the previous year. Crop prices were mixed throughout the year. January 1 cattle inventory was unchanged from the previous year. Prices set new record highs for the first eight months but dropped below the records of the prior year for September through December. December 1 hog inventory was at the highest level since 1981, with prices remaining above year ago levels for all of 2004. The value of all farmland and buildings was 4 percent above 2003.

Wheat production in 2004 was 314.5 million bushels, 34 percent below 2003's crop of 480.0 million bushels. The yield, at 37 bushels per acre, was down 11 bushels from the year earlier. The acreage harvested for grain, at 8.50 million acres, was down 15 percent from 2003. The 2004 crop averaged 13.2 percent protein, with a test weight of 59.8 pounds per bushel, and 11.4 percent moisture. For the first seven months of the year, wheat prices were above the previous year; however, with the exception of September, prices were below year-ago levels for the remainder of 2004. The preliminary marketing year average price, at $3.25 per bushel, was up 10 cents from 2003 and generated a value of production of **$1.022 billion**, 32 percent below the previous year. Kansas retained its first place status as the number one wheat state in the Nation.

Corn production was 432 million bushels, up 44 percent from 2003 and the highest corn production ever in Kansas. The 2004 yield was 150 bushels per acre, 30 bushels above the previous year, but two bushels below the record high set back in 1996. Acreage harvested for grain, at 2.9 million, was up 15 percent from 2003. This was the fourteenth year in a row that corn production exceeded sorghum production. Prices for corn were above the previous year through August; then dropped below 2003 levels for the remainder of the year. Based on the preliminary 2004 marketing year average price of $2.15 per bushel, the value of production for the 2004 corn crop was **$928.8 million**, 23 percent above the 2003 value.

Sorghum grain production was 220.4 million bushels in 2004, up 31 percent from 2003's crop of 130.5 million bushels. The yield averaged 76 bushels per acre, up 31 bushels from the previous year. Harvested acreage for grain, at 2.9 million acres, was unchanged from 2003. Sorghum prices were above 2003 from January through July; however, they dropped to below the previous year for the rest of 2004. The preliminary 2004 marketing year average price ($1.62 per bushel) indicated a value of production of **$357.9 million**, 16 percent above 2003. In 2004, Kansas regained its title as the number one sorghum grain producing state.

Soybean production was 111.1 million bushels, up 95 percent from 2003's crop of 57.0 million bushels, and an all time record for Kansas. Yield, at 41 bushels per acre, was up 18 bushels from a year

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Agricultural Highlights

earlier, and also a record for Kansas. Acres harvested was 2.71 million acres, up 9 percent from 2003. Soybean prices for year 2004 were above the previous year for the first eight months with prices dropping below 2003 for the remainder of the year. Based on the preliminary marketing year average price of $4.75 per bushel, the value of production for the 2004 crop was **$527.8 million**, 20 percent above 2003.

All **hay** production totaled 7.88 million tons, up 13 percent from 2003. Acres harvested, at 3.35 million acres, was up 100,000 acres from the previous year. The preliminary marketing year average price of $62.40 per ton indicated a value of production for the 2004 crop of **$491.6 million**, up 6 percent from 2003. Grazing and stock water supplies were generally adequate across the state for 2004. Monthly prices for all hay during 2004 were down for all months except June and October.

All **cattle and calves** on farms and ranches on January 1, 2005, totaled 6.65 million head, unchanged from January 1, 2004. The 5.5 million head of cattle marketed during 2004 was down 2 percent from the year earlier. Fed cattle marketings in 2004 were 5.3 million head, down 2 percent from the previous year. Cash receipts from the sale of cattle were **$5.64 billion**, virtually unchanged from 2003. Cattle prices in 2004 increased over prices in 2003 for the first eight months, ranging from increases of $1.30 per cwt. in February to $11.40 per cwt. in June. Prices then dropped below 2003 for the remainder of the year.

The December 1, 2004, **hog** inventory in Kansas was 1.71 million head, 4 percent above the previous year. This was the largest December 1 hog inventory since 1981. Total cash receipts from hogs were **$379 million**, up 50 percent from 2003. Hog prices rose above year-ago levels every month in 2004. Prices for hogs ranged from an increase of $5.50 per cwt. in January to $18.90 per cwt. in November.

Kansas' 2004 Rank in U.S. Agriculture

Crop or Livestock Item	Rank	% of U.S.
Wheat Flour Milled (36.6 million cwt)	1	9.3
Wheat Flour Milling Capacity (136,379 cwt)	1	9.1
All Wheat Produced (314.5 million bushels)	1	14.6
Sorghum Grain Produced (220 million bushels)	1	48.5
Cattle Slaughtered (7.1 million head)	1	21.9
Sorghum Silage Produced (910,000 tons)	2	19.1
Cropland (29.5 million acres)	2	6.8
Prime Farmland (23 million acres)	2	7.0
Cattle and Calves on Farms (6.6 million head)	2	6.9
Cattle and Calves on Grain Feed (2.4 million head)	3	17.9
Red Meat Production by Commercial Slaughter (5.6 billion pounds)	3	12.3
Land in Farms (47 million acres)	3	5.0
Commercial Grain Storage Capacity (890 million bushels)	3	10.5
Sunflowers Produced (226 million pounds)	3	11.1
All Hay Produced (7.8 million tons)	4	5.0
Exports of Farm Products, FY 2004 ($2.9 billion)	6	4.7
Irrigated Acres (2.6 million)	6	4.8

Cash Receipts from Farm Marketings ($9.5 billion)	7	3.9
Alfalfa Hay Produced (3.8 million tons)	8	5.0
Hogs on Farms (1.7 million head)	9	2.8
Corn Grain Produced (432 million bushels)	9	3.7
Soybeans Produced (111 million bushels)	10	3.5
Corn Silage Produced (2.5 million tons)	14	2.4
Dry Edible Beans Produced (153,000 cwt)	14	0.9
All Sheep and Lambs on Farms (106,00 head)	14	1.7
Upland Cotton Produced (70,700 bales)	17	0.3
Oats Produced (1.7 million bushels)	18	1.5
Milk Produced (2.2 million pounds)	18	1.3
Barley Produced (336,000 bushels)	23	0.1

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